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2 **BEFORE THE INSURANCE COMMISSIONER**  
3 **OF THE STATE OF CALIFORNIA**  
4

5 In the Matter of the Request for Finding of  
6 Eligibility to Seek Compensation of:

7 Consumer Watchdog  
8

OPA Case No. IE-2020-0002

FINDING OF CONSUMER WATCHDOG'S  
ELIGIBILITY TO SEEK COMPENSATION

9 On or about June 30, 2020, Consumer Watchdog submitted a Request for Finding of Eligibility to  
10 Seek Compensation ("Request"). The Commissioner has reviewed the Request and the Additional  
11 Information and makes the following findings and determinations:

12 **FINDINGS**

13 Consumer Watchdog provided a verified Request, in accordance with California Code of  
14 Regulations (CCR) §2662.2(a).

15 Consumer Watchdog provided a description of its previous work as an intervenor in accordance  
16 with CCR §2662.2(a)(1).

17 Consumer Watchdog responded to the showing required of a group intervenor, in accordance with  
18 CCR §2662.2(a)(2) (A) – 2662.2(a)(2)(G), as follows:

19 CCR §2662.2(a)(2)(A). The current Articles of Incorporation for  
20 Consumer Watchdog are on file with the California Department of  
Insurance (hereinafter, CDI) and furnished another copy with the Request  
21 for Finding of Eligibility.

22 CCR §2662.2(a)(2)(B). Consumer Watchdog has no members.

23 CCR §2662.2(a)(2)(C). Consumer Watchdog listed the names of all  
24 individuals on its current Board of Directors and provided a business  
address at which they could all receive correspondence.

25 CCR §2662.2(a)(2)(D). Consumer Watchdog stated that it does not send  
26 out a paper newsletter, and instead provides updates regarding its  
activities on its website at [www.consumerwatchdog.org](http://www.consumerwatchdog.org), thru Facebook,  
27 Instagram, and Twitter and at an annual awards dinner. Consumer  
Watchdog states that it receives approximately 840,000 unique visitors to  
28 its website each year.

1 CCR §2662.2(a)(2)(E). Consumer Watchdog submitted a summary of  
2 some of its consumer protection activities since the last Finding of  
3 Eligibility.

4 CCR §2662.2(a)(2)(F). Consumer Watchdog submitted a letter from the  
5 IRS attesting to its status as a 501(c)(3) corporation.

6 CCR §2662.2(a)(2)(G). Consumer Watchdog submitted the percentages  
7 of funding received through Grants, Individual Contributions,  
8 Attorney/Intervenor Fees, and Interest Income. Consumer Watchdog  
9 declared that it does not have any individual donors who meets the 5%  
10 threshold contained in the regulation requiring disclosure. Consumer  
11 Watchdog listed individual foundation grants received. Consumer  
12 Watchdog received no Corporate, Business or Government grants.

### 13 **LEGAL STANDARDS**

14 California Insurance Code section 1861.10 states in relevant part:

15 (a) Any person may initiate or intervene in any proceeding permitted or  
16 established pursuant to this chapter, challenge any action of the commissioner  
17 under this article and enforce any provision of the article.

18 (b) The commissioner or a court shall award reasonable advocacy and witness  
19 fees and expenses to any person who demonstrates that (1) the person represents  
20 the interests of consumers, and (2) that he or she has made a substantial  
21 contribution to the adoption of an order, regulation or decision by the  
22 Commissioner or a court.

23 CCR §2662.2 sets out the procedure by which intervenors are deemed eligible to seek  
24 compensation.

25 (a) A person or group representing the interests of consumers may provide to the  
26 Public Advisor a request for finding of eligibility to seek compensation. The  
27 request shall be verified and may be verified by the intervenor's or participant's  
28 attorney and shall be submitted, at any time, in conjunction with an ongoing  
proceeding in which the individual or organization seeks to intervene. The  
request shall comply with sections 2652.1-2652.4 of this subchapter and shall  
include:

(1) a showing by the intervenor or participant that it represents the  
interests of consumers, including a description of the previous work of the  
intervenor or participant; and,

(2) in the case of groups representing the interests of consumers, the  
request shall include the following as exhibits:

(A) a copy of the group's articles of incorporation, by-  
laws, or (for groups not organized as corporations) other  
organizational documents,

(B) if the group has members, the approximate number of  
current members,



1 (C) composition of the group's current Board of Directors  
2 - including the name and business address of each  
3 director and/or the name and business address of the  
principals of the group if it is not a corporation.

4 (D) newsletter circulation, if any, along with a  
5 representative sample of newsletters and/or any other  
6 publications issued by the intervenor in California during  
the previous twelve (12) months.

7 (E) any annual or year-end report for the prior year.

8 (F) a statement as to whether or not the group has been  
9 granted non-profit status under Internal Revenue Code  
Section 501(c), and

10 (G) in order to allow a determination whether the group  
11 actually does represent the interests of consumers, a  
12 listing, by general category, of the group's funding  
13 sources for the prior twenty-four (24) months and the  
14 approximate total percentage of the group's annual  
15 budget from each funding category. Each foundation,  
16 corporate, business, or government grant shall be  
separately listed by name of foundation, corporation,  
17 business, or government agency and amount of grant.  
18 For each individual who contributed at least five percent  
of the group's annual budget, the name of the individual  
and the total amount of the annual contribution shall be  
separately listed.

19 The Public Advisor may require additional information  
20 regarding the request at any time, but not more than twice  
21 during any one calendar year from a given Intervenor or  
22 participant.

23 CCR §2661.1 (j) defines representing the interests of consumers as follows:

24 Represents the Interests of Consumers" means that the intervenor represents the  
25 interests of individual insurance consumer[s], or the intervenor is a group  
26 organized for the purpose of consumer protection as demonstrated by, but is not  
27 limited to, a history of representing consumers in administrative, legislative or  
28 judicial proceedings.

A party which represents, in whole or in part, any entity regulated by the  
Commissioner shall not be eligible for compensation. However, nothing in this  
subsection shall be construed to prohibit any person from intervening or  
participating if that person is not seeking compensation.

29 CCR §2662.2(b) and (c) set deadlines for CDI's review of requests for finding of  
30 eligibility.

(b) Within 10 days of receipt of a request for finding of eligibility to seek  
compensation, the Public Advisor shall review the request for completeness. If

1 the request includes all of the information required by subdivision (a) above, it is  
2 complete. If the Public Advisor determines that the request is not complete  
3 because it does not include all of the information required by subdivision (a),  
4 notice stating the grounds for incompleteness will be given to the person or group  
5 who submitted the request within the 10 day period and the request will be  
6 rejected.

7 (c) The Commissioner shall rule on the request for a finding of eligibility to  
8 seek compensation in writing not later than 15 days from the receipt of a complete  
9 request.

### 10 DETERMINATIONS

11 Consumer Watchdog has complied with the requirements of CCR §2662.2.

12 Consumer Watchdog represents the interests of consumers, and on those grounds, the  
13 Commissioner hereby finds Consumer Watchdog eligible to seek compensation in Department  
14 proceedings pursuant to CIC §1861.02 *et seq.*

15 This Finding of Eligibility is effective July 12, 2020.

### 16 ORDER

17 Consumer Watchdog is hereby deemed eligible to seek compensation from the Department of  
18 Insurance for its representation of consumers' interests and its participation in Departmental proceedings  
19 pursuant to CIC §1861.10, for a period not to exceed two years from July 12, 2020.

20 A finding of eligibility to seek compensation does not ensure compensation and Consumer  
21 Watchdog must comply with all relevant provisions of the California Insurance Code and the California  
22 Code of Regulations in order to submit requests and/or to receive compensation in specific hearings or  
23 proceedings.

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25 Dated: August 25, 2020

26 RICARDO LARA  
27 Insurance Commissioner

28 By   
Edward Wu  
Public Advisor  
California Department of Insurance





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**SERVICE LIST**  
**In the Matter of the Request for Finding of Eligibility to Seek Compensation of:**  
**CONSUMER WATCHDOG**  
**Case No. IE-2020-0002**

<u>Name/Address</u>	<u>Phone/Fax Numbers</u>	<u>Method of Service</u>
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